

SENATE BILL 980

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11r3107

By: **Senator Middleton**

Constitutional Requirements Complied with for Introduction in the last 35 Days of
Session

Introduced and read first time: March 9, 2011

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Credit Unions – Boards of Directors – Electronically Conducted Elections**

3 FOR the purpose of authorizing the election of the board of directors of a credit union
4 to be conducted electronically under certain circumstances; requiring the
5 secretary of a credit union, for an election of directors conducted electronically,
6 to provide certain information and a certain identification form to certain
7 members of the credit union as provided in regulations adopted by the
8 Commissioner of Financial Regulation; requiring the Commissioner to establish
9 by regulation procedures for conducting an election of directors electronically;
10 making certain conforming and stylistic changes; and generally relating to
11 elections of the board of directors of a credit union.

12 BY repealing and reenacting, with amendments,
13 Article – Financial Institutions
14 Section 6–329(a), (d), and (f)
15 Annotated Code of Maryland
16 (2003 Replacement Volume and 2010 Supplement)

17 BY adding to
18 Article – Financial Institutions
19 Section 6–329(i)
20 Annotated Code of Maryland
21 (2003 Replacement Volume and 2010 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That the Laws of Maryland read as follows:

24 **Article – Financial Institutions**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 6-329.

2 (a) Subject to the provisions of this section, the directors may be elected
3 exclusively by mail ballot **OR ELECTRONICALLY IN ACCORDANCE WITH**
4 **REGULATIONS ADOPTED BY THE COMMISSIONER**, if:

5 (1) The board of the credit union, by resolution posted conspicuously at
6 the principal office of the credit union at least 90 days before the annual meeting of
7 the members of the credit union, [~~authorize~~] **AUTHORIZES** the election of directors
8 exclusively by mail ballot **OR ELECTRONICALLY**; or

9 (2) (i) The bylaws provide for the election of directors exclusively
10 by mail ballot **OR ELECTRONICALLY**; and

11 (ii) Notice of the election and the annual meeting is posted
12 conspicuously at the principal office of the credit union at least 90 days [~~prior to~~]
13 **BEFORE** the date of the annual meeting.

14 (d) (1) When only one member is nominated for a position to be filled, the
15 chairman may:

16 (i) Take a voice vote; or

17 (ii) Declare the nominee elected by general consent or
18 acclamation at the annual meeting.

19 (2) If the nominations of the nominating committee and any
20 petitioners provide more than one nominee for each directorship to be filled, the
21 secretary:

22 (i) **FOR AN ELECTION OF DIRECTORS CONDUCTED BY MAIL**
23 **BALLOT**, shall mail to each member in good standing, at least 20 days before the
24 annual meeting:

25 [(i)] 1. A printed ballot, clearly identified as a ballot, on
26 which appears the name of each nominee, in alphabetical order, and on which, in the
27 form that the board approves, may appear after a nominee's name:

28 [1.] A. A brief statement of the nominee's
29 qualifications and biographical information; and

30 [2.] B. If applicable, a notation that the nominee is the
31 incumbent;

1 [(ii)] **2.** A postage prepaid and preaddressed envelope clearly
2 marked with instructions to place the completed ballot and the identification form in
3 the envelope and seal the envelope; and

4 [(iii)] **3.** An identification form to be completed to include the
5 name, address, signature, and credit union account number of the voter; **AND**

6 **(II) FOR AN ELECTION OF DIRECTORS CONDUCTED**
7 **ELECTRONICALLY, SHALL PROVIDE THE INFORMATION AND IDENTIFICATION**
8 **FORM REQUIRED UNDER ITEM (I) OF THIS PARAGRAPH AS PROVIDED IN**
9 **REGULATIONS ADOPTED BY THE COMMISSIONER.**

10 (3) One form may be printed **OR PROVIDED ELECTRONICALLY** that
11 represents a combined ballot and identification form.

12 (f) The tellers of an election may not count a ballot unless it is:

13 (1) Mailed **OR ELECTRONICALLY SUBMITTED** to the tellers; and

14 (2) Received by the tellers not later than midnight of the 7th day
15 before the date of the annual meeting.

16 **(I) THE COMMISSIONER SHALL ESTABLISH BY REGULATION**
17 **PROCEDURES FOR CONDUCTING AN ELECTION OF DIRECTORS**
18 **ELECTRONICALLY, INCLUDING PROCEDURES FOR:**

19 **(1) PROVIDING NOTICE OF THE ELECTION TO EACH MEMBER IN**
20 **GOOD STANDING;**

21 **(2) PROVIDING THE INFORMATION AND IDENTIFICATION FORM**
22 **SPECIFIED IN SUBSECTION (D)(2)(I)1 OF THIS SECTION;**

23 **(3) PROVIDING INSTRUCTIONS ON HOW TO ACCESS AND USE THE**
24 **ELECTRONIC ELECTION SYSTEM; AND**

25 **(4) ALLOWING A MEMBER TO OPT OUT OF USING THE**
26 **ELECTRONIC ELECTION SYSTEM AND VOTE BY MAIL BALLOT.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2011.